



# South Carolina Department of Insurance

1201 Main Street, Suite 1000  
Columbia, South Carolina 29201

Mailing Address:  
P.O. Box 100105, Columbia, S.C. 29202-3105  
Telephone: (803) 737-6227

MARK SANFORD  
Governor

SCOTT RICHARDSON  
Director of Insurance

Letter of Credit No. \_\_\_\_\_  
Date \_\_\_\_\_

A.B.C. Bank  
Address \_\_\_\_\_  
City, State \_\_\_\_\_

Director of Insurance  
State of South Carolina

Director:

1. We hereby establish our IRREVOCABLE LETTER OF CREDIT in your favor for the account of \_\_\_\_\_ up to the aggregate amount of \_\_\_\_\_ available by your draft(s) drawn on us, at sight, bearing the number of this IRREVOCABLE LETTER OF CREDIT No. \_\_\_\_\_. This IRREVOCABLE LETTER OF CREDIT shall expire at our Letter of Credit Department, \_\_\_\_\_, at our close of business on \_\_\_\_\_ unless as hereinafter extended.
2. This IRREVOCABLE LETTER OF CREDIT is issued pursuant to the provisions of S.C. Code Ann. § 38-90-40, and on behalf of the above mentioned \_\_\_\_\_ (name of captive) which is applying for a certificate of authority to engage in the insurance business in the State of South Carolina as a captive insurance company. We understand and agree that \_\_\_\_\_ (name of captive) has no obligation to reimburse us and we have no right of set off against any funds held by us for \_\_\_\_\_ (name of captive) in the event this IRREVOCABLE LETTER OF CREDIT is drawn down, in whole or in part. By issuing this IRREVOCABLE LETTER OF CREDIT, we waive any common law, statutory or contractual right of reimbursement or set off against \_\_\_\_\_ (name of captive) that may arise in the event this IRREVOCABLE LETTER OF CREDIT is drawn down, in whole or in part.
3. It is a condition of the IRREVOCABLE LETTER OF CREDIT that it shall be automatically extended for additional periods, each of one year, unless at least ninety calendar days prior to the then relevant expiration date we have advised you in writing that we elect not to extend. In that event, you may draw hereunder on or prior to the then relevant expiration date, up to the full amount then available hereunder, against your sight draft(s) on us, bearing the number of this IRREVOCABLE LETTER OF CREDIT.
4. It is a further condition of this IRREVOCABLE LETTER OF CREDIT that each automatic extension shall be measured from the then relevant expiration date, even though such date is not a business day in Columbia, South Carolina for this Bank. It is also a condition of this IRREVOCABLE LETTER OF CREDIT that, for the purpose of drawing hereunder, if the then relevant expiration date is a non-business day for our Bank, drawing may be made not later than our next immediately following business day.
5. This IRREVOCABLE LETTER OF CREDIT sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, or amplified by reference to any note, document, instrument, statute, regulation, or agreement referred to herein or in which this IRREVOCABLE LETTER OF CREDIT is referred to or which IRREVOCABLE LETTER OF CREDIT relates, and any such reference shall not be deemed to incorporate herein by reference any note, document, instrument, statute, regulation, or agreement.
6. Each sight draft so drawn and presented shall be promptly honored by us if presented on or prior to the above stated expiration date or any extension thereof as above provided. Presentation under this IRREVOCABLE LETTER OF CREDIT must be made at \_\_\_\_\_ located at \_\_\_\_\_ during normal banking hours.

Optional Provision

7. Unless otherwise expressly stated, this credit is subject to the Uniform Customs and Practices for Commercial Documentary credits fixed by the International Chamber of Commerce, ICC Publications No. 500 (1993 Rev.).

Very truly yours,

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